

STATE BOARD OF EQUALIZATION

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No. 78/103

June 15, 1978

TO COUNTY ASSESSORS:

PROPOSITION 13 INTERPRETATIONS RELATED TO
LOCAL ASSESSMENT ROLL PREPARATION

The Board of Equalization in open session on June 14, 1978, concluded that the proper interpretation of Proposition 13 requires assessors to do the following:

1. Base Value - The market value base for individual assessments shall be the value that appeared on the 1975-76 property tax bills.
2. Factoring - The 1975-76 base values are to be adjusted by 2 percent compounded for each of the three subsequent lien dates (1976, 1977, 1978) to determine 1978 values. This factor is $1.0612 [(1.02)^3]$.

The Board directed its staff to prepare property tax rules for adoption on an emergency basis that will embrace these concepts. Other necessary rules reflecting generally the positions expressed in the Letter to Assessors dated June 8, 1978 (No. 78/100) and not in conflict with the above will also be prepared for the Board's consideration.

If you have any questions concerning these matters, please let us know.

Sincerely,

Jack F. Eisenlauer

Jack F. Eisenlauer, Chief
Assessment Standards Division

JFE:fb